

CASE STUDY

How One Catholic Health System Retained 150 Exiting Nurses and Slashed Contract Labor Costs by 38%

Franciscan Missionaries of Our Lady Health System



Annalee Starks, BSN, RN, believes her circuitous career path was guided by divine intervention. Starks is staffing director at Franciscan Missionaries of Our Lady Health System. She has been both a staffing agency recruiter, a nurse, and a nurse manager, giving her the rare combination of skills needed to help tackle today's most challenging problems in healthcare: recruiting and retaining clinical staff. When speaking about accepting her new role, Starks says, "Much like our founders the Franciscan Sisters, 'I am going where I am called!'"

Franciscan Missionaries of Our Lady is one of the largest health systems in the region, delivering care to almost half of Louisiana and Mississippi's largest metropolitan area in Jackson. The Catholic nonprofit organization serves all, especially those most in need, and is the lifeblood of the communities in which it operates.

In an industry slow to change, Franciscan Missionaries of our Lady Health System stands apart. Starks' position and the newly created department she manages was established in March 2023 to address the unprecedented scarcity of clinical care workers and associated rising costs of contract labor. The nursing shortage is particularly problematic in Louisiana. According to the U.S. Bureau of Labor Statistics, Louisiana has less than 10 nurses per 1,000 people. The Bayou state is among states with the lowest nurse to state population ratios.

The Problem

As newly minted staffing director, Starks spent six weeks “peeling back the onion” identifying the underlying issues impacting clinical recruitment and retention and unsustainable labor costs. Each of the five markets within the health system managed their own contract labor, and different departments within each market oversaw their own contingent workers. There was no standardization or coordination of contract labor hiring practices. Each department used their own staffing agencies, managed their own contracts, oversaw compliance, and approved their own bill rates. At one point, the organization was juggling more than 500 contract nurses, which resulted in exorbitant spending and countless administrative inefficiencies.

Starks also understood that the workforce had changed. Today, clinicians value flexibility over tenure. They seek a better work/life balance, a trend that was on the rise before COVID, but only accelerated by the pandemic. Clinicians want to work when and where they want, and not be constrained by the typical 9 to 5 schedule or 12-hour shifts. As a former nurse, Starks knew this firsthand. She understood the clinicians' needs and preferences and that the health system had to find a way to accommodate them. Otherwise, they would lose this talent to other employers or to burnout.

“Our primary goal was and remains to find a place for those clinicians who want to work but cannot work traditional hours. We believed that if we did the right thing for our workforce, many of the other issues, including financials, would correct themselves.”

–Annalee Starks, BSN, RN

The Solution

By spring of 2023, after three years of research and due diligence, Franciscan Missionaries of Our Lady found the answer to its prayers in the Contingent Labor platform from Hallmark which the organization dubbed Flex Choice. Starks explains the strategy this way, “There is a symbiotic relationship between Hallmark’s IRP (Internal Resource Pool) and VMS (Vendor Management Solution) tools. We use the VMS platform to recruit clinical talent and then transition that talent to our Flex Choice IRP.”

According to Starks, Hallmark is a technology company with an agile, fully customizable SaaS platform capable of operationalizing their internal resource pool, streamlining their contract labor, and providing vendor-neutral connections to staffing agencies – all using a single dashboard. Most importantly, Starks reports that Hallmark’s support team is what sets them above the rest.



“Hallmark is a true partner. They are an extension of my Flex Choice team. From day one they have walked with us hand in hand on this journey and they continue to do so. There is not a day that goes by that I do not speak to Kelsey, Jennifer, or Sarah. They are firmly committed to our success.”

–Annalee Starks, BSN, RN

The Implementation

Starks reminds us that in spring 2023, she was a one person show; hence the decision was made to rollout Flex Choice in phases. With the support of the Hallmark team, it took just 30 days to implement Phase I, while Phase II has been growing so fast that roll out to all markets is purposefully being slowed.



Phase I: Vendor Management Solution (VMS)

In May 2023, the health system went live with its VMS platform, beginning with nurses and then nursing support staff. Just four months later, allied health workers were added to the mix. Hallmark’s VMS platform gives the health system greater financial transparency, better credential management, automated workflows, simplified tracking, and greater visibility at every level. Additionally, it is a vendor-neutral platform, which enables Franciscan Missionaries of Our Lady to choose from a multitude of vendors at once with no loss of functionality or hidden inflated costs.

Starks explains that the VMS platform provides robust insights that enable her to make more strategic staffing decisions and gain greater control of contract labor management. She also points out that the out-of-the box API integration made the process straightforward.

Starks explains that further down the road, she will look to expand the VMS initiative to include a non-clinical focus, such as ambulatory.

Phase II: Flex Choice Internal Resource Pool (IRP)

By fall 2023, Franciscan Missionaries of Our Lady began the rollout of its Flex Choice internal resource pool. According to Starks, using Hallmark's platform, the health system is now able to:

- Optimize and automate deployment, communication, and scheduling
- Track credentials
- Connect with Flex Choice members via mobile device for seamless communication

"My vision is continued growth of our burgeoning department, with the goal of one day having all labor flow through Flex Choice," says an enthusiastic Starks.

The Outcomes

Starks notes that these programs are in infancy, but the results are impressive. As of early 2024, the Flex Choice internal resource pool has not even officially launched yet in all five markets. To date, only positive feedback has driven the program's seemingly "overnight" success.

Starks expresses her astonishment at the rapid growth of the Flex Choice program. "We anticipated a lot of good outcomes, but we were surprised by how quickly they happened. Some of the organization-wide rewards were even more amazing than we could have imagined."

Starks' team has grown fast with the program and now includes a clinical educator, two coordinators, and a future hire. She says, "Flex Choice is in high demand. We have more applicants than we can handle, and we haven't even put our marketing plan into action. Our main challenge, which is a good one, is how to quickly respond to all the qualified candidates who have reached out to us."



Initial program wins include:



Increase in Retention Rates

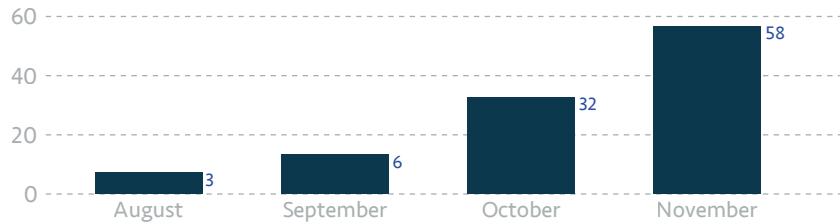
The health system initially retained over 150 nurses who were looking to exit the organization but chose to stay and work in Franciscan Missionaries of Our Lady's Flex Choice program.



Boost in Contract Labor Numbers

Franciscan Missionaries of Our Lady is adding five to seven nurses on average per day. They now boast more than 400 Flex Choice nurses and 200 agency nurses. Further, in select markets the health system has been able to transition 100% of their contract nurses on to Flex Choice.

Flex Choice Nurse Hires by Month (2023)

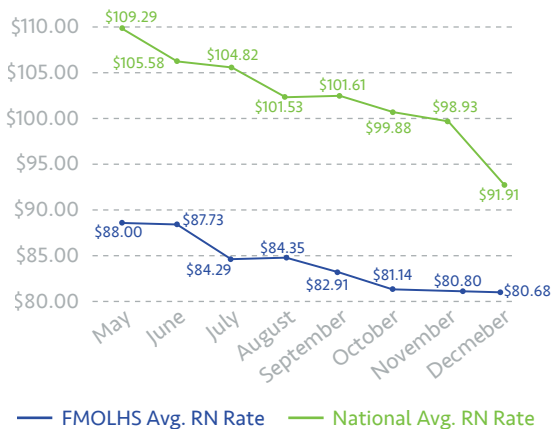


Cost Savings

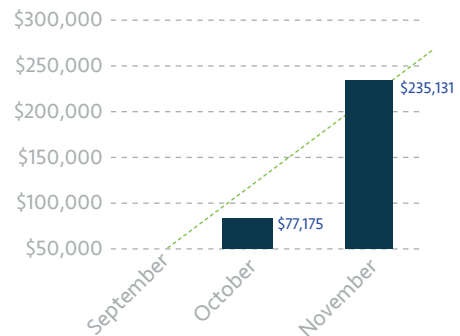
Within six weeks, the organization saved up to \$30,000 every pay period. In less than a year, Franciscan Missionaries of Our Lady reduced their contract spend by 38% on average. For example, the health system used to pay allied health workers as much as \$125 per hour in some markets. Now they pay only \$55 per hour. They also lowered the agency nurse bill rates to a maximum of \$88 per hour across all markets, from more than \$125 per hour before.

Average RN Bill Rates (2023)

.5% decrease in rate over Q4; 8% decrease from go-live



Flex Choice - Cost Savings (2023)





Increase Efficiencies Across Departments

Inefficiency was a core issue with doing things the way they were always done. Starks gave us a strong example of how Flex Choice improves productivity across the organization. She found that the HRIS analysts of the health system oversaw contract labor administration, but no one knew the reason for this arrangement. Starks says, "We realized that the staffing department should manage these tasks and eliminate the unnecessary back and forth with the HRIS team. We transferred contract labor administration from the HRIS department to our department and used the Flex Choice platform to organize all data. This made HRIS more efficient. They can now deal with HRIS support requests promptly, without being distracted by managing contract labor files. They can focus on their core duties. And we have the Flex Choice technology to streamline and simplify contract labor management."



Employee Satisfaction

Starks emphasized that Flex Choice has won over the whole organization. "Despite some initial resistance to change, our staff from all areas are grateful to our department for easing their administrative and clinical workloads. Leadership is equally thrilled. This unexpected outcome has contributed to the organization's success."



Conclusion

Starks reflects on how COVID has transformed the healthcare sector. "We can't afford to manage the healthcare workforce in silos anymore. This outdated approach has far-reaching consequences, which we have experienced firsthand. For Franciscan Missionaries of Our Lady, our Flex Choice has created a remarkable sense of enthusiasm and involvement among our staff and leaders, and they empower us to elevate the care of our patients and our communities."

She continues, "We are just getting started and we see nothing but expansion of the programs moving forward. Franciscan Missionaries of Our Lady is flourishing, and we share our prosperity with our communities. That is our noble mission."

Learn more about the Hallmark Contingent Labor platform at [hallmarkhcs.com](https://www.hallmarkhcs.com)



Hallmark offers a fully integrated SaaS platform for healthcare workforce management. The platform streamlines sourcing and deployment of contingent clinical labor and automates the provider lifecycle from contracting to compensation, all with exceptional effectiveness, transparency, and cost savings. Partnered with our advanced strategies and deep expertise, Hallmark's leading-edge technology solutions empower healthcare organizations to thrive. **To learn more, visit: www.hallmarkhcs.com.**